

**COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS & BUSINESS REGULATION
DIVISION OF ENERGY RESOURCES**

**MASSACHUSETTS
RENEWABLE ENERGY PORTFOLIO STANDARD**

**Adjustment of the
Alternative Compliance Payment (ACP) Rate
for Compliance Year 2006**

January 26, 2006

The Massachusetts Renewable Energy Portfolio Standard (RPS) regulations at 225 CMR 14.08(4)(a)2, provide that the Division of Energy Resources “shall publish the ACP Rate by January 31 of the Compliance Year. The ACP Rate shall be equal to the previous year's ACP Rate adjusted up or down according to the previous year's Consumer Price Index.”

The ACP Rate for Compliance Year 2003 was established in the regulations at \$50.00 per MWh, and each subsequent year has been adjusted according to the Consumer Price Index as shown in the table below.

The Consumer Price Index (CPI)¹ for 2005 is 207.5, up from 200.2 in 2004, an increase of 3.64%².

Therefore, the ACP Rate for Compliance Year 2006 is determined to be \$55.13 per MWh³. The adjusted ACP rate determination is summarized in the table below.

Year	CPI	ACP Rate
2002	188.2	n.a.
2003	193.5	\$50.00
2004	200.2	\$51.41
2005	207.5	\$53.19
2006		\$55.13

¹ For this purpose, the DOER is using the CPI for all “Urban Consumers, Northeast Region, All Items, Not Seasonally Adjusted.” Source: U.S. Bureau of Labor Statistics

² Calculated thus: $(207.5 / 200.2) - 1 = 3.64\%$

³ Calculated thus: $\$53.19 \times 1.0364 = \55.13